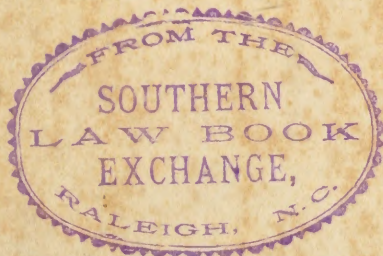


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Rail Road Bill

S. h. C.

EXPRESS.

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S. h. C.

THIRD

No. 12

ANNUAL REPORT

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RALEIGH AND GASTON

RAIL-ROAD COMPANY.

RALEIGH:

PRINTED AT THE OFFICE OF THE RALEIGH REGISTER.

1839.

as to the State and prospects of the Company, than was possessed by their agents in London, would materially facilitate the negotiation, and as the demands on the Company were becoming very urgent, the President was requested to proceed, forthwith, to London for that purpose, which he accordingly did, and reached there early in December last. Soon after his arrival he ascertained that owing to the large amount of American securities, which were then in London for sale, most of which were either State Bonds, or Bonds guarantied by the States, and which were on that account regarded by English Capitalists as preferable to mere Company Bonds, it would be impossible to dispose of those issued by this Company, except at a sacrifice to which he felt neither disposed nor authorized to submit. Having arranged, previously to his departure, that an application should be made to the Legislature in November, for their aid in carrying on the work, and being confident, from its importance to a large portion of the State, that this aid would be readily obtained, he determined to defer any farther efforts, until the result of this application was known, as he was assured that if the guaranty of the State could be obtained to the Bonds of the Company, they could be disposed of on very favorable terms. This aid was obtained, and the Stockholders, at a special meeting called in February, 1839, agreed to accept it on the terms proposed by the Legislature, which, though somewhat onerous, had the effect of imparting to the Bonds issued in pursuance of its provisions, a security which was beyond question, and which those of no other Company possessed.

Much delay took place in preparing the Bonds and taking the other necessary steps. On being advised of the passage of the Act and its ratification by the Stockholders, and expecting to receive the Bonds in their improved form in a

very short time, a preliminary negotiation was commenced with every prospect of disposing of them to advantage.

Several unforeseen circumstances occurred to cause delay in preparing and forwarding these Bonds; and in the mean time, difficulties of a serious nature had occurred between the United States and Great Britain, which it was at one time apprehended, would result in a war between the two countries; and it was believed by the Board of Directors in Raleigh, that this would put a stop to any negotiation of them in London. Under this impression, one of the Board was requested to take the Bonds and proceed to the North for the purpose of effecting a sale there if possible, and in the event of his failing to do so, then to forward them to London. Of this the President was apprized, and a copy of the Bonds, as issued, was forwarded to him, thus rendering it incumbent on him to remain in London until he was advised of the result of the mission, as, notwithstanding the unsettled state of affairs between the two countries, he was induced to believe that on depositing these Bonds as collateral security, an advance of 75 or 80 per cent. might be obtained on them, which would at least have afforded a temporary relief. A partial arrangement was, however, made with the Farmers' Bank of Virginia, at Richmond, by which \$200,000 was expected to be realized. Bonds to the amount of \$400,000 were lodged with the President of the Bank, who undertook to proceed to New-York for the purpose of selling them, and after reimbursing the Bank for its advances, the balance to be placed to the credit of the Company. A copy of this agreement is ready for the inspection of the Stockholders. As soon as this was made known to the President, he immediately returned home, where he arrived only three days since, which must furnish his excuse for this crude and imperfect communication. He regrets that a journey

undertaken by him with great reluctance, and attended with much personal inconvenience, should have proved so fruitless, but has the consolation of knowing that the failure was not owing to any want of foresight or exertion.

The Board regrets to state, that the gentleman to whom the Bonds were committed for sale, owing to the difficulty of procuring money in New York, only succeeded in disposing of \$50,000, and upon his return, notified the Board, that owing to this and the condition of the Bank over which he presided, it would be impossible for him to comply with his engagement, so that it becomes necessary to resort to some other means. A more secure investment cannot be offered to the capitalist, and as all danger of collision between this Country and Great Britain, may now be considered as past, it is believed, that a favorable disposition can be made of them in a short time. It is proper to state, that besides the above \$50,000, a like amount has been transferred to the Literary Board in liquidation of a debt due them, and the same Board has agreed to take \$50,000 more on the first of July next, so that there will then remain \$350 000 undisposed of. To sell these on the most favorable terms, and as speedily as possible, will be one prime object. Knowing the importance of completing the Road immediately, and that for this purpose, Iron would soon be required, and finding the market rising, the President, while in London, contracted on favorable terms for 800 tons, sufficient to complete the work, which will be received in the course of a few months. Believing a heavier Iron than that heretofore used, would be found in the end to be true economy, he ordered this 2 inches by $\frac{5}{8}$, instead of $\frac{1}{2}$ inch. Locomotives and Passenger Cars will also be contracted for in a short time, so as to enable us to do our own transportation immediately on the completion of the Road to Raleigh.

The cost of this work, as will be seen by reference to the Report of the Chief Engineer, will not exceed the estimate before submitted by him. The transportation of produce has already far exceeded the most sanguine expectations of the friends of this work, notwithstanding the disadvantages under which it has labored, and the insufficient force employed. The receipts have averaged since the completion of the Road to Henderson, \$3,183 per month, and they will doubtless be much increased as the work progresses.

At the last letting of the Mail contracts, the Board contracted with the Post Master General for the carrying the great Mail from Gaston to Raleigh, but as they were dependant on the Petersburg Company for doing their transportation, their contract was necessarily dependant on a similar one being made with that Company. As the Post Master General refused the bid of the Petersburg and Road Company, it was believed that a due regard to themselves and justice to the Department, required that they should be distinctly informed of our situation. A letter was addressed to him informing him of this, and that it would not be in our power to comply with the contract, unless the Petersburg Company also contracted for the transportation of the mail, as it could not be expected that that Company would put on a train merely for the purpose of carrying the mail on the Raleigh and Gaston Rail Road. A strange and most unfounded construction was placed upon this communication, and what was really intended and regarded as an act of justice to both, has it seems, been construed by the Post Master General, as evidence of a combination between these Companies.

The great mail has, in consequence of the difficulties between the Post Office Department and the Rail Roads upon this line, been transferred to the Wilmington Road. A

contract has however been made for a daily mail on this line to Columbia. The attention of the Stockholders is particularly requested to that portion of the Engineer's Report respecting the Raleigh and Columbia Road, the construction of which is becoming every day of more importance to us.

There are still some delinquent Stockholders, and as all means have been ineffectually resorted to to induce them to pay, it becomes indispensable to sell the Stock for the purpose of compelling them.

As the State has reserved the right of taking \$500,000 of Stock, or rather of converting the Bonds already issued into Stock at any time within seven years, it is necessary that the Capital Stock should be increased at once, so as to enable the State to avail herself of this privilege, and it is therefore recommended, that a Resolution be adopted increasing the Capital to \$1,500,000, and as the purchase of Cars, Locomotives &c. must be made during the present year, it is further recommended to the Stockholders to vest the Board of Directors with power to raise from time to time, any additional sum which may be required for that purpose.

By order of the Board of Directors.

GEO. W. MORDECAI, Prest.

REPORT
OF THE
CHIEF ENGINEER.

RALEIGH, JUNE 1, 1839.

*To the President and Directors of the
Raleigh and Gaston R. R. Company:*

GENTLEMEN: It once more becomes my duty to report to you the present situation of the work under your charge.

At the date of my last Report, 22d of January 1838, no portion of the work was completed. On the first of the following May nine miles were put in operation, and additional portions were finished from time to time, until about the first of September, when forty-two miles of the Road, reaching to Henderson Depot, were completed, and put in use. Soon after, eight miles more were completed, with the exception of the iron, which is not yet all brought out.

Notwithstanding the financial difficulties with which the Company had to contend, the work has been vigorously prosecuted during the past year. No injurious delay has been produced by these causes.

The Masonry of Tar River Bridge is done—the superstructure is all framed, and nearly three spans are raised. The Bridge will be finished by the first of August.—From Tar River to within seven miles of Raleigh, the grading is complete, and a large portion of the Super-

structure for the same distance is laid. On this portion of the Road, there are two Bridges unfinished, one over Neuse River, and the other over Cedar Creek. They will probably be completed in about three months. On the remaining distance of seven miles, a small amount of grading remains unfinished, most of the timber for the superstructure is in place, and the only Bridge, that over Crab Tree, is completed. If the iron can be procured in time, the Road may be used to Wake Forest by the middle of September, and the whole of it may be put in operation before the end of the year. In addition to the Depots mentioned in my last report, one has been fixed at Alston's Store in Wake Forest. This point was considered easiest of access, and in every way best calculated to concentrate the trade of the vicinity. A small Depot will be fixed one mile South of Neuse River; at this point a turn out and water station will be found indispensable, and it is probable that the produce will be brought here from a considerable distance West, as there is an excellent road leading in that direction. It will be a good place also to receive timber to transport to Raleigh. Besides these, a wood and water station has been fixed between Henderson and Tar River, but it is not expected that any ware house will be needed there. The portion of your Road in use, is all in excellent order, except the Bridge at Gaston. The spans adopted here are 169 feet, which seemed to be required by the character of the stream. The operation of obtaining foundations for the piers, was attended with great expense; and the quantity of ice and drift wood coming down the River, made it expedient to obstruct the space as little as possible. In common with all other Bridges of this length of span, there was some settling in the superstructure, and some deviation from a line. Although no immediate danger was to be appre-

hended, it was deemed expedient to strengthen the spans. Workmen are now employed in doing this.

It has been found necessary, as was anticipated, to enlarge the Depot at Henderson. It now covers a floor of 190 feet by 20, with a track for Cars to stand on, 120 feet long. This space is sometimes too confined for the business done there now, but it will be sufficient when the Road, South of Henderson, goes into operation.

The plans of the ware houses and shops to be erected at the termination of the Road in Raleigh, have been prepared, and fair proposals have been received for their construction. Nothing is wanted but your authority to have the work commenced. It is highly desirable that these buildings should be commenced immediately, as a shop in which the Engines can be repaired is indispensable to the use of the Road. A commodious set of shops, and a convenient warehouse, can, with the necessary fixtures, be erected for about twenty thousand dollars—a small sum compared with the importance of the object.

In obedience to your directions, I have contracted for 100 sets of wheels, axles, and other Iron works for freight Cars, on very favorable terms. Chill'd wheels weighing about 460 lbs. were ordered. These have proved cheaper and safer than any other kind which have been tried heretofore. The axles which we shall use, are of faggoted Iron. These, though more expensive than the rolled axles, are far more durable. The breaking of axles has been the cause of a large number of the accidents which have happened on Rail Roads, and the safety ensured by the use of these axles, will amply compensate for the additional cost. The contract was made with the Fredericksburg Union Manufacturing Company. 30 sets are to be delivered on the first of August, 30 on the first of

October, and 40 on the first of December—the whole to be received on the wharf in Petersburg; payments to be made six months after delivery.

To enable you to carry into effect your intention of doing the transportation on your own account after the first day of January next, it will be necessary to order four Engines and two Coaches. Unless ordered very soon, the Engines cannot be procured in time.

The calculations of the entire cost of the work have been carefully made, taking the sums actually paid for such parts of it as have been completed and settled for, and the most accurate estimate that can now be had of the parts remaining to be done. It appears from these calculations, that the work will be done within the estimate of \$1,215,000 given in my last report. I therefore refer you to that as the sum which will not be materially exceeded, if at all. This sum exceeds the Capital with which the Company was originally incorporated, which was \$800,000, with the privilege of increasing to \$1,000,000. I cannot feel surprised at this excess of the actual cost over a conjectural estimate, made before any survey of the route, and based on data quite vague and inaccurate. Even if an accurate estimate had been made, the rise in prices which occurred about the period of the commencement of this work, and which has most unexpectedly continued to the present time, would have been sufficient to account for a great increase of cost.

A comparison of the cost of this work, with the actual cost of the Rail Roads in the same range of country in the State of Virginia, and with many roads at the North, will satisfy any enquirer, that it has not exceeded what was justly to be anticipated from the character of the country passed over. I will instance the Richmond and Fredericksburg Rail Road Company, both because it ap-

proaches nearest to this in character, and because no one at all acquainted with the management of that Road, while constructing, has ever doubted that the strictest economy was used. That Road cost \$12,900 per mile, exclusive of Bridging and of Locomotives and Cars, which is \$360 per mile more than the cost of yours, with the same exceptions. The cost of the Richmond and Petersburg Road, exclusive of Bridges, Cars, &c. has been about \$21,444 per mile, or \$8,904 per mile, more than yours.

The cost of the Petersburg Rail Road (not including the Greenville branch, which was much more expensive) with the same exception of bridges, cars and locomotives, has been about \$9,700 per mile. This last will be perceived to be \$2,840 per mile less than the cost of the Raleigh and Gaston Road. This difference is fully accounted for by the circumstances of the case. Labor was hired during the construction of that Road at an average price of about \$70 per annum, bacon was at 7 to 8 cents, beef at 2 to 4 cents, and corn at 40 to 50 cents per bushel. Rail timber in that section of country is much more abundant than it is on your Road, and consequently, could be gotten for about 20 per cent. less. The iron for the Petersburg Road cost about \$47 per ton, delivered in Petersburg, while that for your Road costs about \$70 per ton, delivered at Gaston.

Thus it will be perceived that all the elements of cost were, at that time, far less than they have been during the construction of this Road.

These are certainly comparisons by no means unfavorable to your work, and when we add that yours is the only one of the Roads mentioned, in which rock excavation was encountered to any extent, and the difficulties to be overcome by excavations and embankments are far more considerable than on the cheapest of these other Roads,

and nearly as great as on the most expensive, it is believed that the Board have reason to congratulate themselves on the moderate cost at which their work will be completed.

In making the foregoing comparisons, the item of Bridges has been deducted in each case, because that is the only way in which a comparison can be fairly made.

There are five Bridges on the Raleigh and Gaston Rail Road, most of them in situations of peculiar difficulty.— There are few Bridges in the world higher than that over Tar River. The aggregate length of the Bridges is 3,240 feet, and their cost will be \$155,000. When this is included, the cost per mile of the Road will be \$14,378. The bridging on the Petersburg and on the Richmond and Fredericksburg Roads has been far less, while that on the Richmond and Petersburg Road has been greater, than on this. The cost of the Richmond and Fredericksburg Road, when bridging is included, is \$13,934 per mile, and that of the Richmond and Petersburg Road \$31,110 per mile; that of the Petersburg Road is \$10,110 per mile.

Comparisons equally as advantageous might be made with many other works, but they are deemed unnecessary. I will merely add a list of several Rail Roads and their cost per mile, taken from the late Report of the President and Directors of the Housatonic Rail Road Company :

Boston and Worcester Rail Road,	\$37,000	per mile.
Boston and Providence	“ 42,000	“
Norwich and Worcester	“ 22,000	“
Western	“ 34,000	“
New-Jersey	“ 45,000	“
Camden and Amboy	“ 40,000	“
Columbia and Philadelphia	“ 40,000	“
Albany and Schenectady	“ 61,000	“
Utica and Schenectady	“ 19,000	“
Stonington	“ 52,000	“

Hartford and New-Haven	“	20,000	“
Housatonic	“	15,000	“

It should be mentioned that the Housatonic Road is just commenced, and that it follows the remarkably level valley of the Housatonic.

As some apprehensions have been expressed that the stock of this Road will not be valuable, I hope I may be excused for saying a word on the subject.

It is well known that, since the Road went into operation, causes beyond your control have prevented you from offering such facilities to the public as would ensure a large amount of transportation; and yet the amount has exceeded what any one anticipated. No reasoning man *now* doubts that the tonnage transported over the Road will fully equal the expectations of the most sanguine among us.

It has been suggested that the transportation of goods and produce on a Rail Road yields but a small profit. Let us examine into this.

It may be seen, by a statement made by the second Auditor to the Legislature of Virginia, on the 1st of January, 1839, that the State has received dividends on her stock in the Petersburg Rail Road, amounting, in all, to $36\frac{1}{2}$ per cent. on the whole investment; while the whole amount of interest which the money could have produced, had it been loaned out, would have been $27\frac{1}{2}$ per cent. We see therefore that this is a decidedly profitable stock.

If we examine the sources of revenue on the Petersburg Rail Road for two years past, we will find that in 1838 their receipts were, from freights \$68,410, and from passengers \$38,692; in 1837, the receipts were, from freights \$48,300, and from passengers \$27,161. We see that the greater part of their revenue is from the transportation of goods and produce.

In truth, it is only necessary to have a large amount of tonnage to make it profitable; for the expenses of transportation do not increase in the same ratio with the amount transported. It will require a certain amount of transportation on a Road to pay expenses; but after this quantity is exceeded, the transportation becomes profitable.—Depots must be kept up at regular intervals, and a certain expense must be incurred at each, however small the quantity of produce which is received may be; but the whole of this expense might remain the same, though the amount of tonnage received were doubled or tripled.

I contend, therefore, that the transportation of goods and produce may be made profitable, and that it will be on the Raleigh and Gaston Rail Road.

It is true that the profits arising from carrying passengers are much greater; and I do not think there is any reason to suppose that we will not derive a handsome revenue from this source. The local travel on the Raleigh and Gaston Road will be very great, and good stage lines branching off at Henderson and at Raleigh, to the West, will bring a great deal of travel to the Road. At present, the difficulty of passing between Columbia and Augusta deters the Southern traveller from the main stage line to Raleigh. Could this difficulty be obviated, there are a great many who would prefer this line to venturing out to sea.

Considering all these circumstances, it seems to me that the stock cannot be less than a six per cent. stock, even if the Road is never extended South of Raleigh.

If the Road should ever be extended to Columbia, S. C. the stock would certainly be one of the best in the Union. There is scarcely a man who entertains a doubt of this.—The friends of the work know it, and are anxiously endeavoring to find some means of prosecuting this ex-

tension. We see every day evidences of the opinions of those whose local interests are opposed to this project.

In a Report recently made on an examination for an inland communication between Wilmington and Charleston, by Mr. WHITE, Civil Engineer, he says: "Let us for a moment reflect what will be the consequence of neglecting or delaying the execution of this project. The line of Rail Road which is now completed to Raleigh, would be pushed on to Columbia and to Augusta, and then our already languishing portion of the State would be laid prostrate."— This shows Mr. WHITE's opinion of the merits of the Metropolitan line as a line of travel. The same Report mentions a fact which would be a strong argument in favor of the Raleigh and Columbia Road, even if the inland communication between Charleston and Wilmington were effected. He says "that during the sickly season, passengers must be North of Wilmington before sun-down."— In short, it is almost too evident to argue, that if Raleigh and Columbia were joined by a Rail Road, the whole Southern and South-western travel would be brought over the Raleigh and Gaston Rail Road.

Let us, for a moment, examine into the chances of this most desirable connection being formed. Surely each Stockholder in the Raleigh and Gaston Rail Road has the deepest possible interest in promoting it. Every Stockholder in any of the Roads between Raleigh and Baltimore has a deep interest in this project. But no Rail Road Company, not even the Raleigh and Gaston, has a deeper interest in promoting this work than the Charleston, Louisville and Cincinnati Rail Road Company. There are two Roads now constructing which threaten to take the South-western travel from them. One is the Macon and Savannah, and the other is the Brunswick City and Appalachicola Road. If either of these Roads is finished, it will

take a large portion of the travel from the Charleston and Hamburg Road. The only thing which can secure them the travel will be the connection of Columbia and Raleigh by Rail Road.

Nor has the Georgia Rail Road Company less to fear than the Charleston and Hamburg Road. The completion of the Macon and Savannah Road would draw off the greater part of this travel; and the Brunswick and Florida Road would deprive them all of the travel from New Orleans.

These views are so plain, that the Charleston and Hamburg and the Georgia Rail Road Company, cannot seeing their danger, and they will certainly do any in their power to obviate it.

If there is a Rail Road made from Columbia to Raleigh, the Georgia Rail Road from Decatur to Augusta, the South Carolina Road from Augusta *via* Branchville to Columbia, the Raleigh and Columbia Road, the Raleigh and Gascon Road, &c. would form a line which would defy all competition. This route would be the shortest that could be travelled. It would pass through a perfectly healthy country, and it would avoid the danger of Steam Boat navigation at open sea.

The City of Charleston would be very injuriously affected by the travel going through Savannah or Brunswick, for it would then pass Charleston in a Steam Boat, without stopping, so that neither the City of Charleston, nor the Rail Road in which that City is so deeply interested, could be affected otherwise than injuriously, by the completion of this inland route from Charleston to Wilmington, and these other Roads in Georgia.

If the Raleigh and Columbia Road were completed, the traveller from Charleston itself, instead of going out to

sea, would go North through Columbia, and pay a tribute to the Charleston and Cincinnati Rail Road Company.

In reviewing the whole subject, we see that such a vast amount of capital is dependent for its value on the completion of the Raleigh and Columbia Road, that we cannot entertain a rational doubt of its being effected at no distant period.

This being the case, the Stock of the Raleigh and Gaston Rail Road Company would be inferior to none in our country.

All which is respectfully submitted.

CHARLES F. M. GARNETT, C. E.

*Receipts and Expenditures on account of the Raleigh
and Gaston Rail Road Company, to 31st May,
1839.*

Received on account Capital Stock,	665,740 18
From other sources,	397,732 16
	<hr/>
	\$1,063,472 34
Expended on account construction, &c.	1,025,362 08
	<hr/>
Balance on hand,	38,110 26

S. W. WHITING, *Treasurer.*

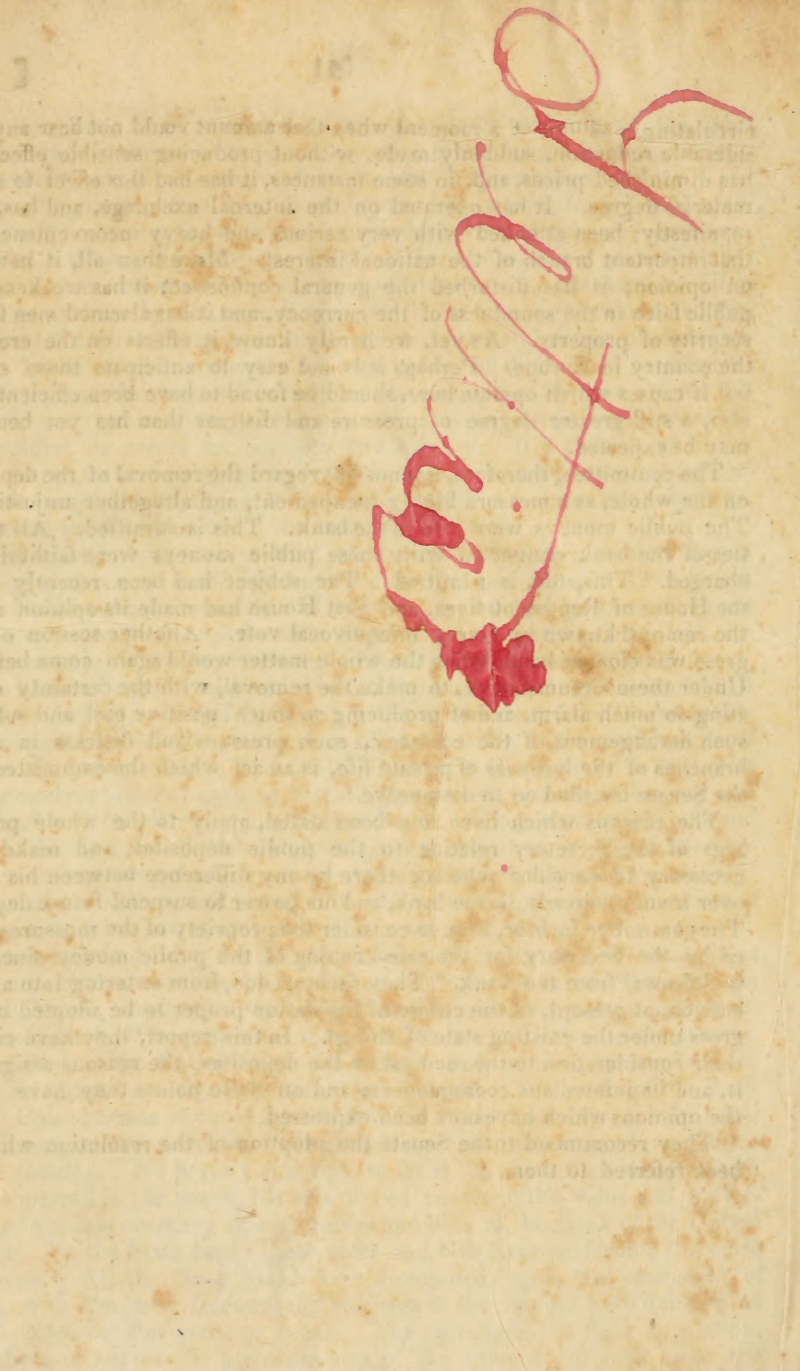
Report of the Committee on Accounts.

That they have examined the above statement, and compared it carefully with the entries in the books, and find each entry to be supported by a proper voucher.

WILLIAM PEACE.

T. T. HOGG.

T. T. TWITTY.



Handwritten in red ink:
1012
Gentry
11.1.16



